

CITY OF TORONTO



ANNUAL REPORT

OF THE
COMMISSIONER OF FINANCE
UPON THE

FUNDED DEBT
AND
SINKING FUND

FOR THE YEAR

1924

TREASURY DEPARTMENT

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ANNUAL REPORT UPON THE FUNDED DEBT AND SINKING FUND FOR THE YEAR ENDED DECEMBER 31st, 1924



TREASURY DEPARTMENT

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TREASURY DEPARTMENT

OF THE CITY OF TORONTO,

May 20th, 1925.

*His Worship, Mayor Thomas Foster,
and Members of the City Council.*

DEAR SIRS:

I beg to hand to you the annual report, for the year ended 31st December, 1924, upon the City's Funded Debt and Sinking Fund.

Yours truly,

GEO. H. ROSS,

Commissioner of Finance.

MEMBERS OF CITY COUNCIL, 1925

MAYOR

THOMAS FOSTER, Esq.

BOARD OF CONTROL

HIS WORSHIP THE MAYOR, *Chairman.*

A. E. HACKER, *Vice-Chairman.*

JOSEPH GIBBONS.

D. C. MacGREGOR.

W. D. ROBBINS.

ALDERMEN

Ward 1.

R. LUXTON

G. J. SMITH

W. A. SUMMERVILLE

Ward 5.

C. E. BLACKBURN

B. J. MILLER

W. J. STEWART

Ward 2.

DR. C. A. RISK

B. S. WEMP

J. WINNETT

Ward 6.

J. S. LAXTON

B. SYKES

S. T. WRIGHT

Ward 3.

H. W. HUNT

J. G. RAMSDEN

JOSEPH SINGER

Ward 7.

W. A. BAIRD

S. RYDING

F. G. I. WHETTER

Ward 4.

S. McBRIDE

C. B. PEARCE

N. PHILLIPS

Ward 8.

F. M. BAKER

R. G. DIBBLE

W. N. ROBERTSON

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CITY OF TORONTO

FUNDED DEBT, 31st DECEMBER, 1924

GROSS FUNDED DEBT :

Sinking Fund Bonds.....	\$71,928,685	
(Sinking Fund Accumulation, \$30,783,978)		
Instalment Bonds.....	98,115,535	
		\$173,374,220

DEDUCT :

(1) Specially-rated and revenue-producing debts (net) as follows :

Transportation System.....	\$41,522,068	
Toronto Hydro-Electric System.....	19,531,176	
Waterworks.....	15,066,019	
Local Improvements (Ratepayers' Share).....	10,355,031	
Exhibition Buildings.....	2,231,571	
Housing.....	761,000	
Abattoir.....	326,905	
	\$89,796,773	

Behind the public utility debts are realizable assets, in the form of plants, properties and equipment, in excess of the debts outstanding.

(2) Sinking Fund, as at 31st December, 1924, on Gross Funded Debt.....	\$30,783,978	
		120,580,751

NET GENERAL DEBT \$52,793,469

The City has fixed assets in general lands and buildings in excess of this debt, in addition to the taxing power on an assessment of \$875,000,000.

ASSESSMENT, Etc.

Assessed value of Rateable Property (1925) for school purposes.....	\$873,329,523
“ “ “ “ “ for general purposes.....	809,007,346
Exemptions not included in foregoing.....	116,762,071
Capital Assets, as at 31st December, 1924.....	192,543,750
Revenue from taxation for 1925, as per Estimates.....	21,491,640
Revenue other than taxation for 1925, as per Estimates.....	2,129,595
Population, 1921.....	542,417
Area of City.....	25,878 acres
Tax Rate for 1925.....	29.85 mills

(Separate School Supporters—34.10 mills)

Annual Report

of the

Commissioner of Finance

upon the

Funded Debt and Sinking Fund

of the City of Toronto

for the Year Ended December 31st, 1924.

This report deals specifically with the City's funded debt—the purposes for which incurred and the provisions for redemption. A separate report is issued covering the City's general financial business—revenue, expenditure, taxation, etc.

The sinking fund was originally established and has since been operated on a 3% earning basis. Experience and periodic actuarial tests have proven the annual levies sufficient to retire all debt at maturity. In the past thirty-five years no maturing debt has been refunded.

The fund is limited by statute to the purchase of securities authorized as legal for the investment of trust funds. For some time past the average yield on these investments has been over 5%, so that of late the earnings of the sinking fund have averaged annually about \$500,000 over actuarial requirements. It is the established policy of the City to use these excess earnings for the purpose of extinguishing, before maturity, bonds which have been issued for non-revenue-producing services. In the past six years no less than \$5,500,000 of this class of debt has been retired by this means, resulting in considerable permanent relief to the taxpayers in the matter of debt charges.

Prior to 1916 the City followed the accepted practice of financing its capital undertakings by the issuance of sinking fund debentures. Under this plan all bonds of an issue mature on a fixed date, a given number of years hence, according to the terms of the loan. In 1916 the method of capital financing was changed and, from that time on, nothing has been issued but serial bonds. Under this plan, by predetermination a fixed *number* of bonds mature each year over the life of the loan and are paid as they mature. The bonds are issued in \$1,000 denominations, or the equiva-

**Method of
Capital
Financing**

lent in sterling. Serial bonds are a particularly safe method of finance for municipalities, as they preclude the possibility of a municipality failing to pay to its sinking fund the required annual levies, and eliminate the risk involved in the handling of huge sums set aside awaiting investment. Under the serial bond plan, a given number of bonds mature each year and must be paid—there can be no postponement or default. In a city like Toronto, where a huge investment has been made in publicly-owned utilities, serial bonds are especially desirable, in that the debt runs off concurrently with depreciation (through use or obsolescence) of the asset, and the last bond is paid before the useful life of the asset has expired. Serial bonds have another advantage, in that an investor can almost invariably select his own maturities. This is a distinct advantage, particularly in the case of trustees for estates, who desire to be in funds at certain given dates. Last, but not least, there is a marked saving effected in debt charges through using serial bonds instead of sinking fund bonds.

The funded debt of the City now stands at \$173,000,000, an increase of \$13,000,000 over last year. This increase, while substantial, is smaller than in any of the three previous years. Since the street railway system of the Toronto Railway Company was taken over by the City in 1921, and its power and radial subsidiaries purchased, the City has issued bonds totalling \$53,921,000 for its street railway and light and power utilities. The extensive financing incident to the acquisition and entire rehabilitation of the street railway is practically completed.

Since the close of the War, nearly \$32,000,000 of debt has matured and been redeemed by the City. In 1924, redemptions totalled \$5,851,500.

The change in the gross debt during 1924 is shown in the following summary :

Change in Gross Debt	Debt outstanding, December 31st, 1923	\$160,173,859
	“ redeemed in 1924	5,851,500
		<hr/>
		\$154,322,359
	 New debt incurred in 1924	 \$19,051,861
		<hr/>
	Debt outstanding, December 31st, 1924	\$173,374,220
		<hr/> <hr/>

There were two public sales in 1924. On April 3rd, \$5,236,000, 5%, 20 and 30 year serials were sold, on a yield basis of 5.33%. On November 6th, \$9,971,000, 4½%, 10, 20 and 30 year serials were sold, at a price to yield 4.95%. The latter was the first City of Toronto bond issue since 1914 to break through the 5% level—marking definitely the passing of the high coupon rate. The downward trend of interest rates in recent years is strikingly exemplified in the public sales of City of Toronto bonds.

Debenture
Sales, 1924

DEBENTURES SOLD IN 1924

Purpose of Issue	Amount
Transportation System.....	\$ 8,021,000 00
Local Improvements—Ratepayers' share.....	\$3,203,214 01
“ “ —City's share.....	1,296,617 11
	1,504,861 12
Toronto Hydro-Electric System.....	3,070,000 00
Highways.....	1,092,000 00
Waterworks.....	778,000 00
Schools—High.....	110,000 00
“ —High, of Commerce.....	228,000 00
“ —Public.....	49,000 00
	687,000 00
Main Sewers.....	565,000 00
Parks and Playgrounds.....	212,000 00
Fire Halls and Equipment.....	119,000 00
	\$19,051,861 12

Of the total sales in 1924, amounting to \$19,051,861, \$15,080,214 was for self-carrying services, while the balance, viz., \$3,971,647, was for ordinary civic services. The latter amount was smaller than for four years past.

At the end of 1924 the only debentures authorized but unsold comprised an issue of \$4,455,000, previously passed by Council on account of publicly-owned utilities. The funds authorized have not yet been required and as a result the bonds have not been sold.

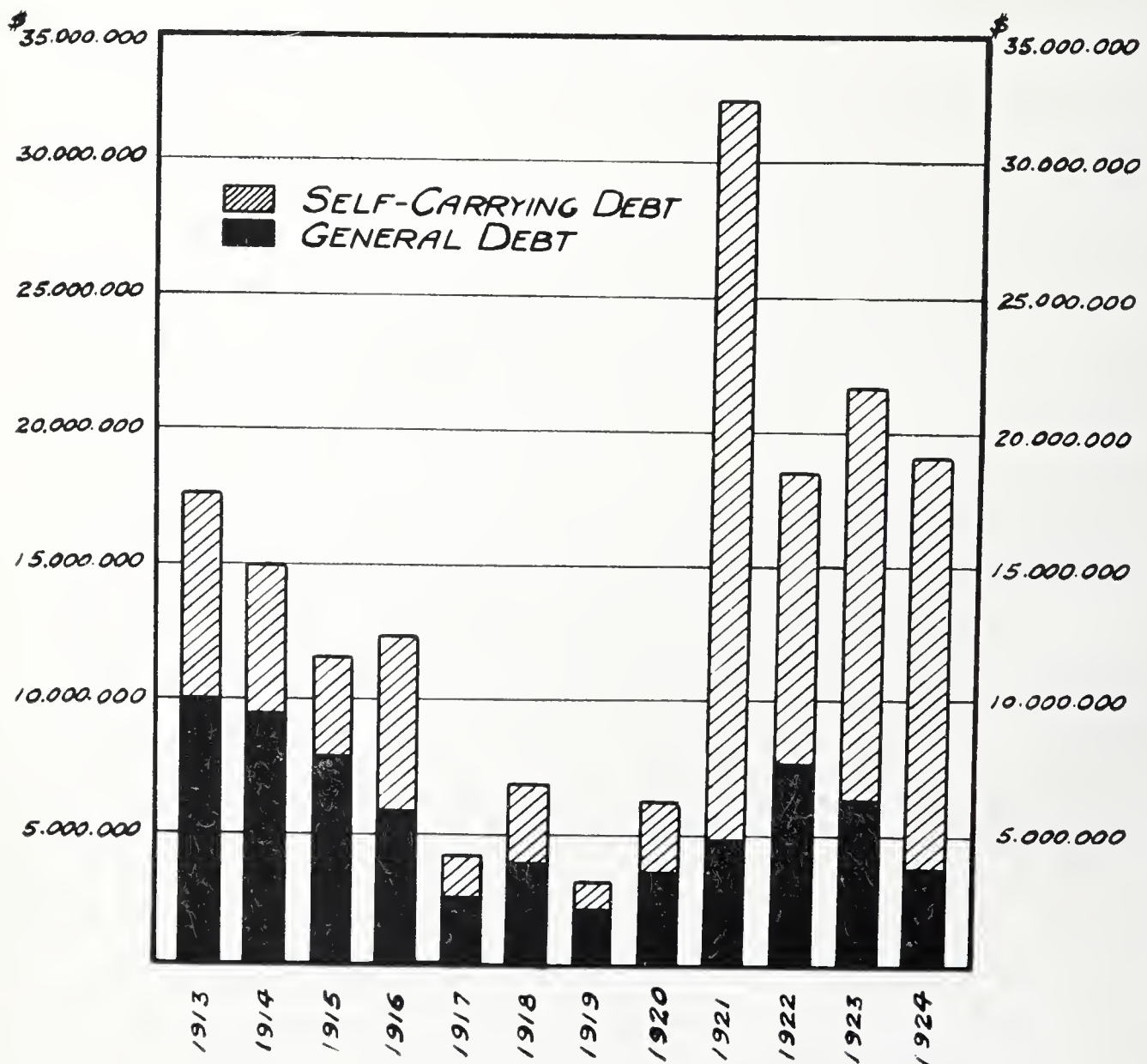
Unnegotiated
Debentures,
Dec. 31st, 1924

LOANS EFFECTED AND DEBENTURES REDEEMED, 1913-1924

Year	Loans Effected			Debentures redeemed	Excess of new loans over redemptions
	For self-supporting services	For non-self-supporting services	Total		
1913	\$ 7,644,164	\$9,920,728	\$17,565,192	\$ 776,714	\$16,788,478
1914	5,525,876	9,119,181	14,915,057	813,770	14,131,287
1915	3,793,403	7,781,315	11,571,718	677,612	10,897,136
1916	6,633,097	5,752,818	12,385,915	801,518	11,584,397
1917	1,565,499	2,569,173	1,131,972	1,512,160	2,592,512
1918	2,926,110	3,966,693	6,893,103	3,100,381	3,792,719
1919	1,036,000	2,216,000	3,282,000	5,578,399	*2,296,399
1920	2,639,536	3,539,667	6,179,203	4,179,831	1,999,372
1921	27,352,153	4,898,766	32,251,219	6,061,390	26,189,829
1922	10,937,805	7,613,172	18,580,977	3,502,352	15,078,625
1923	15,529,883	6,312,058	21,841,941	6,755,661	15,086,280
1924	15,080,211	3,971,647	19,051,861	5,834,668	13,217,193
	\$100,664,640	\$63,021,548	\$168,686,188	\$39,624,759	\$129,061,429

* Redemptions in excess of new loans.

CITY OF TORONTO BOND SALES 1913-1924



The foregoing table and chart show clearly that in recent years the greater part of the City's financing has been on account of its public utilities. The general debt issues—that is, for ordinary civic services—while considerable, have never reached the levels of 1913 and 1914. During the War years there was an abrupt drop in the amount of bonds marketed by the City. Expenditures on general City services were, as a matter of patriotic duty, reduced to a minimum. No improvements or extensions involving capital expenditure were made, as it was recognized that every dollar of capital should be made available to the Federal authorities, in order to carry to a successful conclusion Canada's part in the Great War. Following the declaration of peace, it was natural that the various City services, starved for some years, should, for a time at least, demand special attention. Thus from 1919 the loans effected for non-self-supporting services show a rapid increase up to 1922, but, beginning with 1923 and continuing through to date of writing (1925), a smaller amount is being marketed each year.

Since 1920 the City has borrowed for self-supporting services \$68,900,355. Of this amount the street railway accounts for \$40,583,000, the local Hydro light and power system for \$13,338,000, waterworks for \$3,682,000, and Exhibition buildings for \$1,625,000. All the foregoing pay their own way. In addition, local improvements account for \$9,672,355 (which debt will be repaid by special assessments against the properties benefited). Debt charges in connection with these borrowings, aggregating \$68,900,355, place no burden whatever on the general taxpayer.

Capital Requirements, 1925 The estimates for 1925, as passed by Council, authorize the following capital issues.

GENERAL:

Highways (bridges, viaducts, etc.)	\$2,506,812
Miscellaneous municipal works	956,000
Local Improvements (City's share)	752,811
Schools	559,309
Waterfront improvements	451,617
	<hr/> \$5,226,579

REVENUE-PRODUCING:

Local Improvements (Ratepayers' share)	\$2,088,127
Waterworks	51,797
	<hr/> 2,142,924
	<hr/> \$7,369,503

New capital authorizations for 1925 have been reduced to a minimum. Local improvement commitments to be incurred have been limited to a programme of \$2,000,000, as compared with \$5,000,000 in each of the two preceding years. As works of this character take time, and must be completed and the full cost ascertained before being rated against the properties benefited, approxi-

mately a year elapses before the cost of the works can be funded. For this reason the 1925 programme is not included in the anticipated bond offerings for this year.

Bonds to be sold in 1925 will not exceed, in the aggregate, \$7,000,000. This represents the smallest offering made since 1920, and approximates only one-third of the average yearly sales for the past four years. The fact that in 1925 \$9,146,000 of debt will mature and be redeemed makes this showing even more creditable.

In 1921 the Dwellings Exemption By-law, passed primarily to ease the burden of general taxation on the small householder, came into force. The by-law provides that dwellings with an assessed value of less than \$1,000 shall be partially exempted from general taxation. The amount of such exemption is determined on a scale graded according to the individual assessment. As a result, the small householder, although liable for school taxes on the total assessment, pays general taxes on an assessment reduced by the amount of the above exemptions. In 1924, school taxes were paid on a total assessment of \$847,920,577, while the general assessment was \$786,888,630, due to the operation of this by-law.

The amount of debt which the City may incur is limited by Provincial statute. This figure is arrived at by taking $12\frac{1}{2}\%$ of the first \$100,000,000 of assessment and 8% of the balance. Debts incurred for certain purposes, exempted by statute, are not taken into consideration in determining the City's borrowing margin. These are detailed in the following statement :

EXEMPTED DEBTS

Purpose	Authority	Amount Dec. 31, 1924
Transportation System.....	Municipal Act, R.S.O., 1914, Sec. 257, s.s. 2.....	\$42,415,055
Local Improvements.....	52 Vic. Chap. 74, Sec. 11, Local Im- provement Act, Sec. 40, s.s. 6.....	25,596,221
Toronto Hydro-Electric System.	9 Edw. VII., Chap. 125, Sec. 8.....	22,250,946
Waterworks.....	52 Vic., Chap. 74, Sec. 12.....	19,820,323
War Purposes.....	5 Geo. V., Chap. 37, Sec. 1, amended by 6 Geo. V., Chap. 40, Sec. 21, s.s. 2.....	510,000
Housing.....	10 Geo. V., Chap. 145, Sec. 4, s.s. 2...	761,000
	Total.....	\$111,353,545

The gross debt of the City, after deducting the above exemptions, is \$62,020,675. The legal debt limit on the general assessment (1925) of \$809,007,346 amounts to \$69,220,588, so that the City has a statutory borrowing margin of \$7,199,913. This estimate is based on the general assessment only. If the total assessment were used this margin would be correspondingly increased.

STATUTORY BORROWING MARGIN, 1916-1924

Dec. 31st	Legal Debt Limitation	Outstanding Debt (Excluding Exempted Debts)	Statutory Borrowing Margin
1916	\$51,567,902	\$14,987,768	\$ 6,580,131
1917	52,958,218	44,893,375	8,064,843
1918	51,211,736	46,159,561	8,055,172
1919	55,521,706	46,816,312	8,705,394
1920	59,978,668	49,319,170	10,659,498
1921	62,156,210	52,791,950	9,364,290
1922	65,695,120	58,956,213	6,738,877
1923	67,451,090	60,348,212	7,102,878
1924	69,220,588	62,020,675	7,199,913

Gross
Funded Debt
(Classified)

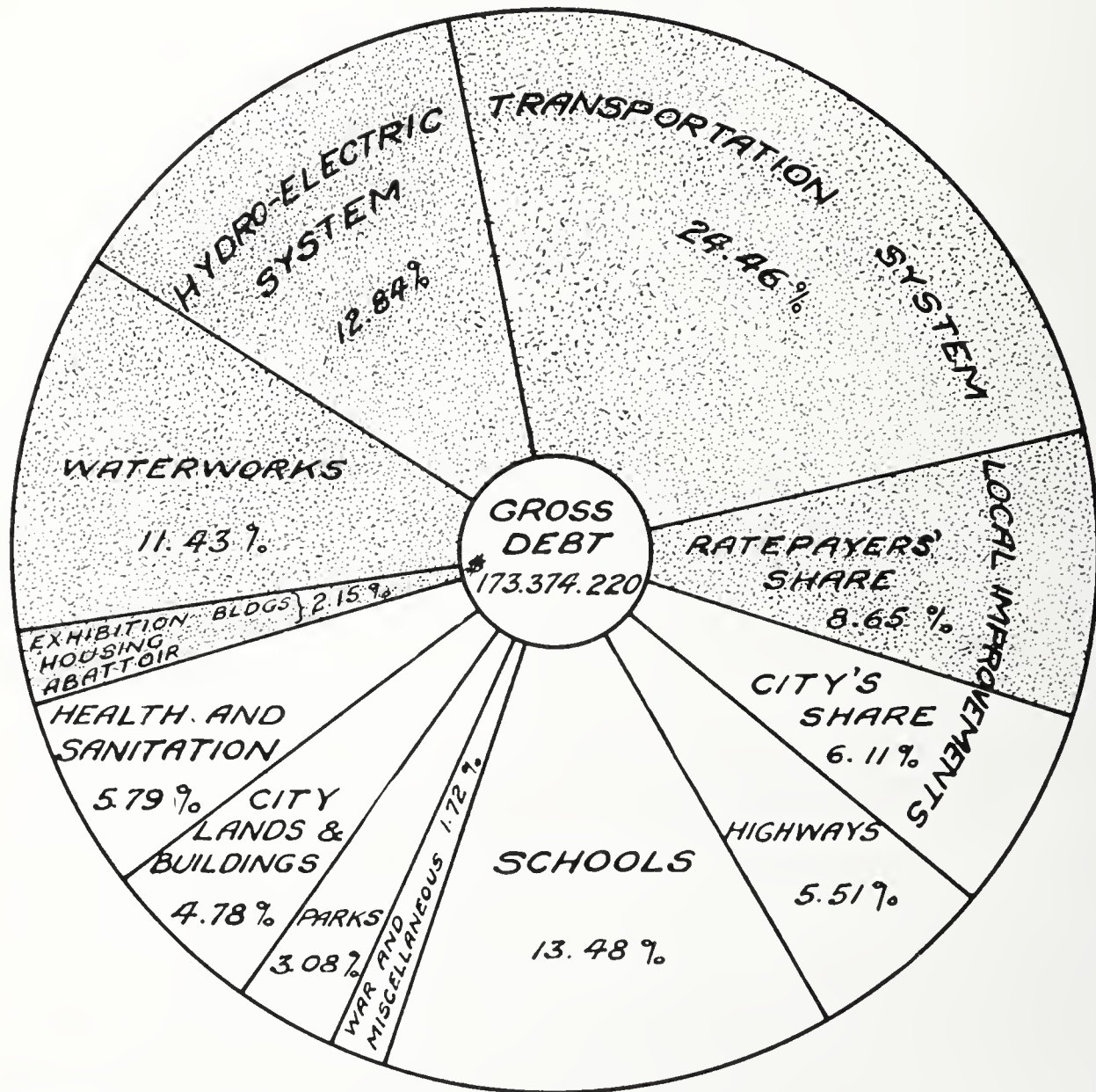
The following classified statement of the City's debt shows that almost 60% of it has been incurred for public utilities:

GROSS FUNDED DEBT

Debt Classification	Amount	Per Cent. of whole
General :		
Schools—Public	\$16,090,505	
“ —High	3,668,472	
“ —Technical	2,531,754	
“ —High, of Commerce	1,010,957	
“ —Industrial	46,207	
“ —Separate	32,299	
	\$23,380,191	13.48
Local Improvements—City's share	10,595,057	6.11
Highways	9,556,030	5.51
Main Sewers	7,807,180	4.50
Parks and Playgrounds	5,334,239	3.08
Miscellaneous	2,473,754	1.43
Waterfront Improvements	2,328,126	1.34
City and County Buildings	2,266,699	1.31
Hospital and Charitable Grants	1,365,409	.79
Fire Halls and Equipment	1,011,303	.58
Properties—Miscellaneous	657,196	.38
Municipal Hospitals	636,680	.37
Registry Office—City	520,218	.30
War Purposes	510,000	.29
Markets	472,647	.27
Industrial Farms	445,544	.26
Police Stations	296,978	.17
Public Libraries	288,423	.17
Garbage Disposal	219,500	.13
General Debt	\$70,165,477	40.47
Self-sustaining Public Utilities :		
Transportation System	\$12,415,055	21.46
Toronto Hydro-Electric System	22,250,946	12.81
Waterworks	19,820,323	11.43
Local Improvements—Ratepayers' share	15,001,164	8.65
Exhibition Buildings	2,544,647	1.47
Housing	761,000	.44
Abattoir	415,608	.24
Special Debt	\$103,208,743	59.53
Total Gross Debt	\$173,374,220	100.00

CITY OF TORONTO

GROSS FUNDED DEBT, DECEMBER 31st, 1924



- REVENUE PRODUCING
 NON-REVENUE PRODUCING

The chart shows clearly the large proportion of self-carrying debt in the City's obligations. Some 40% of the debt is for non-revenue-producing civic services, while 60% is self-sustaining and in no way burdens the taxpayers. The City has invested \$88,207,579 in its various public utilities and has pledged its credit to the extent of \$15,001,164 for the ratepayers' share of local improve-

ments (otherwise known as special assessments), all charges on which are met by the properties specially benefited. The balance of the debt, \$70,165,177, has been incurred by the City for essential services such as schools, sewers, bridges, parks, etc., all of which are indispensable to the needs, health and convenience of the citizens. The City's gross debt thus falls naturally into two categories :

- (a) General debt :
i.e., for ordinary civic services ;
- (b) Special debt :
i.e., for self-carrying services.

While there has been a steady increase in the City's funded debt, it should be borne in mind that the major portion of such increase was caused by the acquisition and enlargement of self-supporting public utilities. In other words, valuable assets have been created, the carrying of which places no tax burden on the citizens.

PUBLICLY-OWNED UTILITIES OF THE CITY OF TORONTO

For the past nine years the City has confined its issues to serial bonds. It is felt that the annual repayment of principal, through the redemption of maturing bonds, constitutes the surest and safest form of depreciation, because, as the asset decreases in value, the debt is correspondingly reduced. It is the aim of the City that some years of useful life should remain in the asset after the last serial bond is paid.

In its street railway system Toronto has an asset of inestimable value. The administration of this utility is in the hands of the Toronto Transportation Commission, composed of a board of able business men serving without remuneration. Their duty is to direct the general policies of the system, while the actual management is vested in a staff of experienced and efficient executives. The net operating income for the year ended December 31st, 1924, was \$3,921,131. After providing for all essential reserves—depreciation, bond interest and debt redemption charges, reserve for unredeemed tickets, and accident and liability contingencies—a balance of \$89,187 was carried to surplus account. At the end of 1924 total reserves, including debt redemption and surplus, amounted to \$6,437,311. This is a remarkable showing, in view of the fact that the Commission has handled this utility for only a little over three years. Public ownership has been more than justified in the case of the Toronto transportation system.

For some years previous to September, 1921, the City was most inadequately served in the matter of street railway transportation. On September 1st of that year the franchise of the Toronto Railway Company expired and the City acquired the assets, the value of which was made the subject of arbitration. Today Toronto can boast of the finest street railway system on the

continent. The entire system of tracks and roadbed has been rehabilitated and the mileage extended. New and up-to-date equipment has been installed and the City's carlines have been rerouted on scientific principles. The watchword of the Commission is "service," and the citizens have every reason to be proud of their street railway system.

The Toronto Transportation Commission has nothing to fear in the way of competition. The City has absolute control of its own streets and can protect the interests of the Commission against all forms of organized competition.

Electric light and power in Toronto are obtainable through one source only : viz., the Toronto Hydro-Electric System. This publicly-owned enterprise is administered by a Commission of three, consisting of the **Toronto Hydro-Electric System** Mayor of the City of Toronto, an appointee of the City Council, and an appointee of the Hydro-Electric Power Commission of Ontario. The power, which comes direct from Niagara Falls, is delivered to the local system at the borders of the City by the Hydro-Electric Power Commission of Ontario.

The net operating income for 1924 was \$2,199,579. After making full provision for taxes, bond interest and debt redemption charges, depreciation and other reserves, a balance of \$51,923 was transferred to surplus account. Total reserves at the end of 1924 amounted to \$11,120,907, against a gross capital investment of \$29,472,962. These reserves, in addition to providing for debt redemption on the present system, will replace it entirely at the end of its useful lifetime. In other words, the system eventually will belong to the City without a single dollar of debt outstanding against it. The rates to the present-day consumer, even with provision for these reserves over and above the cost of the power, are exceptionally low.

This utility, under the able direction of the Commissioner of Works, has earned for itself an enviable reputation. Pure, wholesome water at a nominal cost is made available by a highly efficient pumping and distributing system. Adequate charges for fire protection, civic services, etc., are included in each year's tax levies, and the **Waterworks System** Waterworks account is credited with these amounts. The City's investment in waterworks, which stands at \$18,270,708, has enabled every householder within—and many beyond—the City limits to have sufficient water for all purposes. The result of the 1924 operations, after all costs, including debt charges, had been met, was a surplus of \$581,046.

The position of the City's local improvement debt is very satisfactory. During the past few years practically all the works deferred on account of the War, have been completed. In view of this fact, the local improvement programme, which for the last two years has entailed an annual expenditure of \$5,000,000, will be limited in 1925 to \$2,000,000. **Local Improvements (Special Assessments)**

Local improvement debentures to be sold in 1925 will not exceed \$2,850,000. As debentures totalling \$5,625,766, covering work of this character, mature and will be redeemed during the year, the total debt on account of local improvements will be materially reduced.

Forty-seven years ago the Toronto Exhibition was little more than a small agricultural fair. Today, as the Canadian National Exhibition, it ranks as the world's greatest annual exposition. In 1924, during the two weeks of the Fair, over a million and a half people paid for admission to the grounds. National in scope, it embraces the products of the factory, field, forest and mine, and not without reason is it styled "The Show Window of the Nation." Every phase of Canadian life and activity is displayed here under ideal conditions. Exhibits of live stock, agriculture, dairy produce, manufactures—each of Canada's resources has its place. In addition, the Exhibition during the last few years has assumed a broader and more cosmopolitan aspect and become international in character. Producers in Great Britain, the United States, France, Mexico, the West Indies and South America are now regular exhibitors. The value of the Exhibition as an educational institution is inestimable. City and rural dwellers are brought together and enabled to see, concentrated at one point, the extent and variety of Canada's wealth.

The management of the Canadian National Exhibition is in the hands of a board of capable business men known as the Canadian National Exhibition Association. The City has leased to the Association 235 acres of improved park lands, ideally situated on the lakefront, and has constructed attractive buildings there for the purposes of the Exhibition. The grounds are beautifully laid out and, with the exception of two weeks in the Fall when the Exhibition is in progress, are open all year to the public. All revenue in excess of operating expenses is turned over to the City. For the past few years this excess has been more than sufficient to pay all debt and maintenance charges and still leave a substantial surplus.

Since its inception two years ago, the Royal Agricultural Winter Fair has attained signal distinction as the greatest indoor live stock and agricultural exhibition in the world. A huge structure known as the Coliseum, with a floor space of 8½ acres and a seating capacity of nearly 10,000, was erected by the City on the Exhibition Grounds for the accommodation of the Fair. Here is staged annually an unrivalled exhibition of live stock and agricultural products. Entries are received from every Province in the Dominion and from many of the neighboring States. A specialty show of the foremost rank, the "Royal," excels all others in four of its departments—the Horse Show, Live Stock Exhibition, Poultry and Pet Stock Show, and a unique showing of silver and black foxes. The Flower Show, which combines lavishness and beauty, is also a leading feature of the Winter Fair.

The primary object of the Royal Agricultural Winter Fair is the advancement and improvement of live stock and agriculture in Canada. National in character, it has become international in appeal. In its short life it has been pre-eminently successful, and the Association in charge deserves the unstinted praise which it has received.

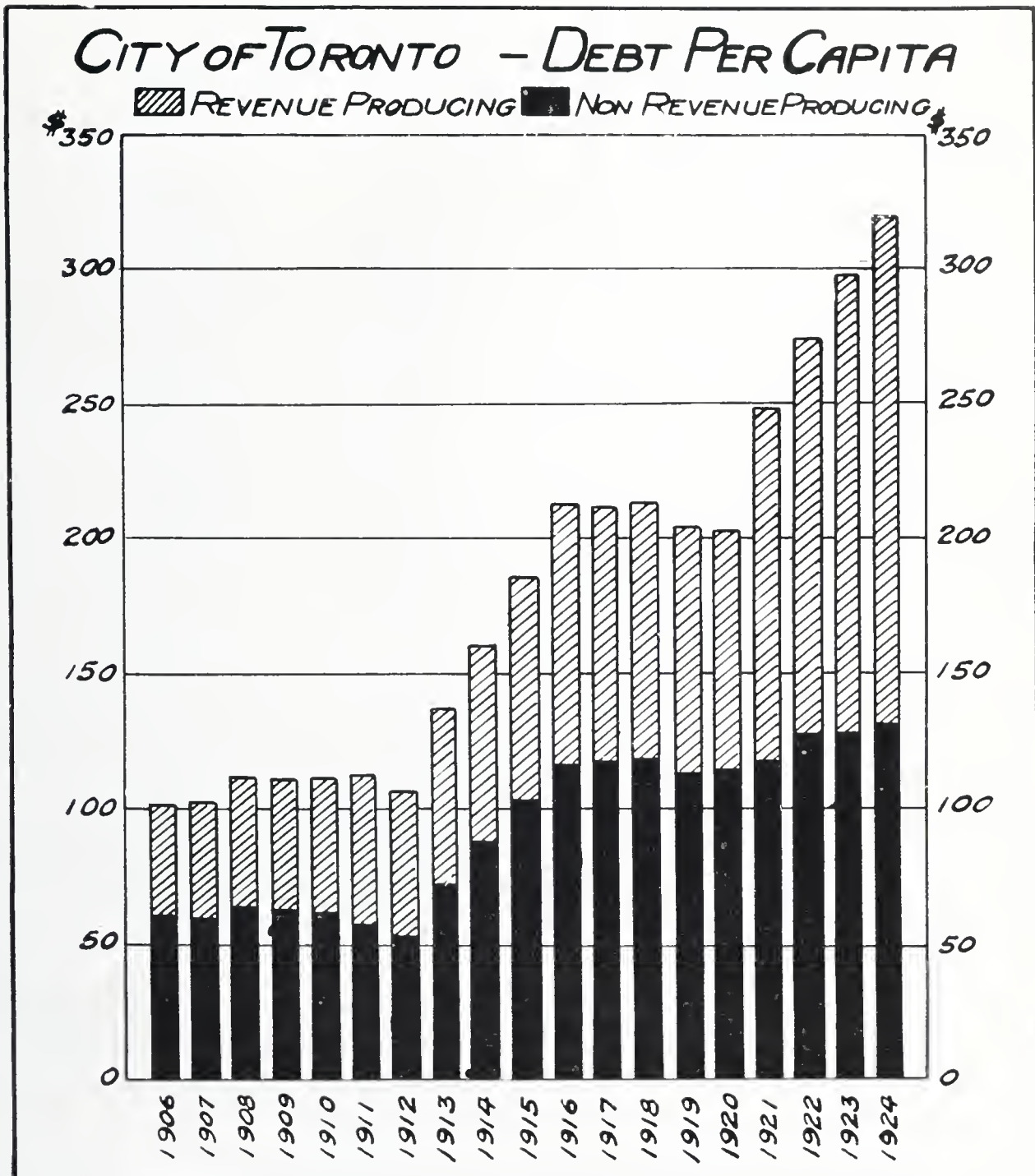
On account of the scarcity of housing accommodation following the War, the City constructed 241 moderately-priced houses, at a cost of \$948,000. These were quickly disposed of, under agreements for sale, whereby the purchaser pays the City slightly less than \$25 a month for twenty years. At the end of this time ownership will vest in the purchasers. The arrangement has been found highly satisfactory to all concerned. This project was financed by serial bonds, maturing in twenty equal annual instalments.

The final results of the 1924 operations of the Civic Abattoir show a deficit of \$3,790. The fact that the charges on certain extensive improvements were met out of operating account explains this result. When the past history of the Abattoir is considered, with annual operating deficits running as high as \$58,000 a few years back, the 1924 results are encouraging.

The Toronto Transportation Commission and the Toronto Hydro-Electric System pay municipal taxes on the land they own, but not on their buildings or improvements. They are likewise exempted from business and income taxation and local improvement charges. The Waterworks, Exhibition Buildings and Civic Abattoir pay no municipal taxes whatever. The properties controlled by the Housing Commission are taxed the same as any private citizen's property.

DEBT PER CAPITA, 1906-1924

Year 31st December	Gross Debt	Non-revenue Producing Debt	Population	Non-revenue Producing Debt Per Capita	Gross Debt Per Capita
1906	\$25,412,644	\$15,215,608	253,720	\$ 59 97	\$100 16
1907	27,543,743	16,234,335	272,600	59 55	101 04
1908	32,093,512	18,392,764	287,201	64 04	111 75
1909	35,972,988	20,405,022	325,302	62 73	110 58
1910	37,967,039	20,801,489	341,991	60 83	111 02
1911	43,110,472	21,655,154	381,546	56 76	113 00
1912	44,329,623	22,203,705	417,520	53 18	106 17
1913	61,118,101	31,424,076	445,575	70 53	137 17
1914	75,249,388	40,904,282	470,151	87 00	160 05
1915	86,146,524	47,278,304	463,705	101 96	185 79
1916	97,730,921	53,086,430	460,526	115 27	212 22
1917	100,323,433	55,228,251	473,829	116 56	211 11
1918	104,116,152	57,830,083	489,681	118 10	212 62
1919	101,819,753	56,223,546	499,278	112 61	203 93
1920	103,819,125	58,492,700	512,812	114 06	202 45
1921	130,008,954	60,919,643	522,666	116 56	248 90
1922	145,087,579	66,901,668	529,083	126 45	274 22
1923	160,173,859	68,891,510	538,771	127 87	297 29
1924	173,374,220	70,165,477	542,417	129 36	319 63



The increase in the per capita debt from 1906 to 1924 is represented graphically in the above chart. Such increases are to be expected in a steadily-growing city. The general debt per capita, viz., debt incurred for general City services, has increased approximately only 12% since 1916, which is not out of proportion to the increase in population. The graph clearly demonstrates that the rapid rise since 1920 in the total per capita debt is due to the increase of self-carrying debt. In recent years Toronto has made large investments in public utilities. As all of these—transportation, light and power, waterworks, etc.—more than pay their own way, no burden is placed on the taxpayer.

DEBT MATURITIES

Year	Sinking Fund Bonds	Instalment Bonds	Total
1925	\$1,832,062	\$4,248,273	\$ 9,080,335
1926	4,919,820	4,114,012	9,333,832
1927	5,105	4,436,989	4,442,094
1928	836,930	4,119,136	4,956,066
1929	8,822,362	4,251,524	13,076,886
1930	86,684	4,356,632	4,443,316
1931	165,004	4,444,996	4,610,000
1932	317,024	4,214,686	4,531,710
1933	.....	3,631,600	3,631,600
1934	29,167	3,406,713	3,435,880
1935	67,611	3,084,413	3,152,027
1936	1,861,760	3,244,892	5,109,652
1937	2,000	3,372,275	3,374,275
1938	5,055	3,466,095	3,471,150
1939	.....	3,588,623	3,588,623
1940	6,961,000	3,741,408	10,702,408
1941	.....	3,785,173	3,785,173
1942	308,500	3,662,740	3,971,240
1943	1,131,043	3,492,215	4,623,258
1944	6,278,070	3,540,560	9,818,630
1945	3,263,043	2,636,589	5,899,632
1946	.....	2,783,068	2,783,068
1947	.....	2,858,216	2,858,216
1948	31,325,103	2,843,336	34,168,439
1949	2,008,339	2,965,371	4,973,710
1950	.....	3,001,000	3,001,000
1951	.....	2,913,000	2,913,000
1952	.....	1,234,000	1,234,000
1953	700,000	585,000	1,285,000
1954	.....	108,000	108,000
1955	1,000,000	12,000	1,012,000
	\$74,928,685	\$98,445,535	\$173,374,220

Net Funded
Debt

Straight term (sinking fund) bonds outstanding December 31st, 1924, amounted to \$74,928,685, against which there was a sinking fund accumulation of \$30,783,978, making a net sinking fund debt of \$44,144,707.

Serial bonds outstanding totalled over \$98,445,535. Annual redemptions of maturing bonds are a yearly charge in the tax rate. The details by services of this net debt are given in the following table :

NET FUNDED DEBT

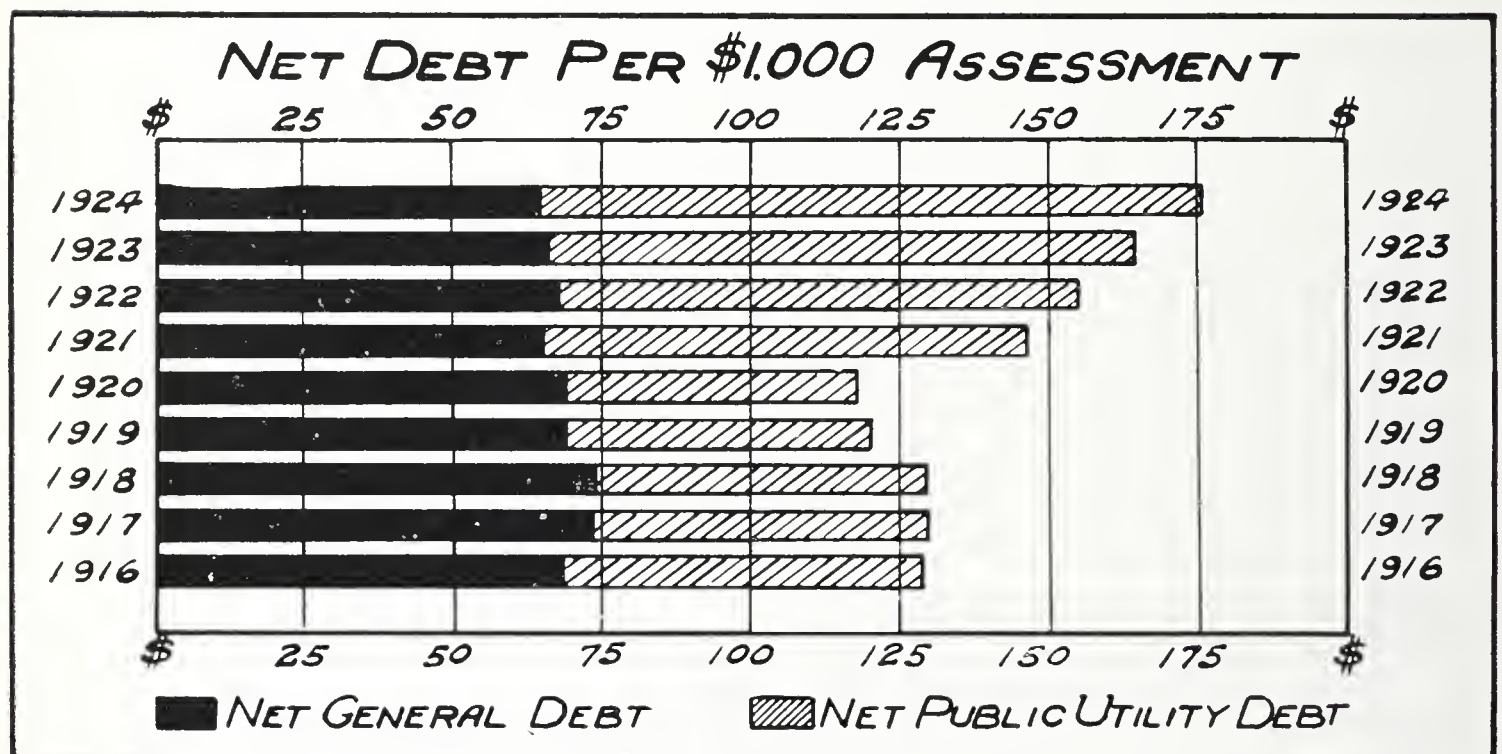
Service	Gross Debt	Accumulated Sinking Fund	Net Debt Dec. 31st, 1921
General Debt :			
Schools—Public	\$16,090,505	\$2,675,119	\$13,415,356
“ —High	3,668,172	386,575	3,281,897
“ —Technical	2,531,754	474,063	2,057,686
“ —High, of Commerce.....	1,010,957	82,120	928,837
“ —Industrial	46,207	36,359	9,848
“ —Separate	32,299	31,356	943
Local Improvements—City's share ..	10,595,057	3,733,626	6,861,431
Highways	9,556,030	1,128,219	8,427,781
Main Sewers	7,807,180	1,170,639	6,636,541
Parks and Playgrounds	5,334,239	743,174	4,591,065
Miscellaneous	2,473,754	1,463,791	1,009,963
Waterfront Improvements	2,328,126	1,651,314	676,812
City and County Buildings	2,266,699	1,863,456	403,243
Hospital and Charitable Grants	1,365,409	334,995	1,030,414
Fire Halls and Equipment	1,011,303	310,179	700,821
Properties—Miscellaneous	657,496	223,598	433,898
Municipal Hospitals	636,680	80,938	555,742
Registry Office—City	520,213	78,477	441,741
War Purposes	510,000	.....	510,000
Markets	472,617	289,172	183,475
Industrial Farms	415,511	88,057	327,454
Police Stations	296,978	120,210	176,768
Public Libraries	288,423	46,837	241,586
Garbage Disposal	219,500	59,369	160,131
Net General Debt	\$70,165,477	\$17,372,008	\$52,793,469
Self-Sustaining Public Utilities :			
Transportation System	\$12,115,055	\$ 892,987	\$11,222,068
Toronto Hydro-Electric System	22,250,946	2,716,770	19,534,176
Waterworks	19,820,323	1,754,304	18,066,019
Local Improvements—Ratepayers' share	15,001,164	4,646,130	10,355,034
Exhibition Buildings	2,544,647	313,076	2,231,571
Housing	761,000	.....	761,000
Abattoir	415,603	88,703	326,905
Net Special Debt	\$103,203,713	\$13,411,970	\$89,791,743
Total Net Debt	\$173,374,220	\$30,783,978	\$142,590,242

The public utility debt is secured by realizable assets in the form of plants, properties and equipment whose value exceeds the debt outstanding. Behind the net general debt of \$52,800,000 are City-owned properties and buildings worth over \$57,000,000, in addition to such permanent and essential assets as sewers, sidewalks, pavements, bridges, etc., costing many millions of dollars. These assets, realizable and unrealizable, are additional to the taxing power on an assessment that averaged \$814,000,000 in 1924. The charge on the latter security is set out in the following table :

Security
Behind
the Debt

DEBT AND ASSESSMENT

Year	Assessment	Net General Debt	Per \$1,000 of Assessment	Total Net Debt	Per \$1,000 of Assessment
1916	\$581,951,013	\$39,339,025	\$67.60	\$ 74,668,574	\$128.31
1917	584,343,609	42,937,610	73.48	75,895,676	129.88
1918	600,778,155	44,289,618	73.72	77,836,811	129.56
1919	619,096,325	42,238,049	68.23	74,353,862	120.10
1920	637,771,320	43,410,176	68.07	75,452,881	118.31
1921	693,483,354	45,112,321	65.05	101,906,003	146.95
1922	742,009,040	50,129,517	67.56	115,055,731	155.06
1923	790,058,870	52,112,400	65.96	129,687,315	164.15
1924	813,832,400	52,793,469	64.87	142,590,242	175.21



The payment of principal and interest on the outstanding debt is a first charge on taxation revenue, and a sufficient sum is raised in the annual tax levy and set aside. Exclusive of new debt to be created in 1925, Annual Debt Charges \$6,082,239 will be required for payments on account of principal, and \$8,229,000 for interest, or a total of \$14,311,239. Of this sum, \$6,107,647 will be raised by taxation, while for the balance, \$8,203,592, the treasury will be reimbursed by the publicly-owned utilities and other self-carrying City services.

ANNUAL DEBT CHARGES FOR 1925 ON FUNDED DEBT
AS AT DEC. 31st, 1924

Debt Classification	Debt Charges			
	Interest	Principal	Total	Per cent. of Whole
Met by School Rates :				
Schools—Public	\$ 770,320	\$ 280,596	\$1,050,916	7.34
“ —High	179,691	60,274	239,965	1.67
“ —Technical	109,911	79,030	188,941	1.32
“ —High, of Commerce	50,184	14,998	65,182	.46
“ —Industrial	1,632	596	2,228	.02
“ —Separate	969	242	1,211	.01
	\$1,112,707	\$135,736	\$1,548,443	10.82
Met by General Taxes :				
Local Improvements—City's share	\$ 512,329	\$1,121,329	\$1,666,658	11.65
Highways	138,373	385,342	823,715	5.76
Main Sewers	316,239	138,444	484,683	3.39
Parks and Playgrounds	218,908	218,750	467,658	3.27
War Purposes	16,725	326,000	342,725	2.39
Miscellaneous	92,012	32,632	124,644	.87
Waterfront Improvements	84,510	34,230	118,740	.83
City and County Buildings	77,835	34,473	112,308	.78
Hospital and Charitable Grants ..	57,606	32,503	90,109	.63
Fire Halls and Equipment	38,086	21,371	59,457	.41
Properties—Miscellaneous	28,521	25,551	54,072	.38
Municipal Hospitals	31,089	18,736	49,825	.35
Registry Office—City	23,798	13,335	37,133	.26
Industrial Farms	19,902	17,075	36,977	.26
Markets	17,097	9,203	26,300	.18
Public Libraries	13,839	10,934	24,773	.17
Garbage Disposal	10,537	12,222	22,759	.16
Police Stations	11,778	4,890	16,668	.12
	\$2,099,184	\$2,460,020	\$4,559,204	31.86
Met by Special Revenues :				
Transportation System	\$2,275,919	\$ 845,467	\$3,121,386	21.81
Local Improvements— Ratepayers' share	576,057	1,276,013	1,852,070	12.94
Toronto Hydro-Electric System ..	1,119,990	664,133	1,784,123	12.47
Waterworks	861,737	320,238	1,181,975	8.26
Exhibition Buildings	119,493	43,720	163,213	1.14
Housing	45,210	30,000	75,210	.52
Abattoir	18,703	6,912	25,615	.18
	\$5,017,109	\$3,186,483	\$8,203,592	57.32
Total Debt Charges	\$8,229,000	\$6,082,239	\$14,311,239	100.00

The direct funded debt of the City has already been considered. In addition to this debt of \$173,000,000, the City has certain contingent liabilities in connection with several public service enterprises in which it is directly or indirectly concerned.

**Contingent
Liabilities**

CONTINGENT LIABILITIES ON BONDS

Particulars	Limit of Liability	Bonds Issued to date	Bonds Redeemed to date	Bonds Outstanding 31st Dec., 1921
Bonds Guaranteed by City :				
Toronto Harbor Commissioners...	\$25,000,000	\$23,000,000	\$1,507,000	\$21,493,000
Toronto Housing Company, Ltd.	850,000	730,000	46,000	684,000
Industrial Schools Associations...	75,000	57,000	.....	57,000
City bonds deposited with Hydro-Electric Power Commission of Ontario as collateral to bonds issued by the Commission for City-owned Electric Railways.*.	2,975,000	2,975,000	.....	2,975,000
	\$28,900,000	\$26,762,000	\$1,553,000	\$25,209,000

* City bonds to the extent of \$1,240,196 are also deposited with the Hydro-Electric Power Commission of Ontario in connection with a proposed line for which the legislative sanction has been withdrawn.

The City owns three radial lines, extending east, west and north from the City, purchased from the Toronto Railway Company. The deal was financed by an issue of \$2,375,000 of bonds of the Hydro-Electric Power Commission of Ontario, guaranteed by the Province of Ontario and secured by the deposit with the Commission of an issue of City of Toronto bonds for a like amount. The operation of these radial railways is entrusted to the Provincial Hydro Commission. Improvements and extensions have required an additional \$600,000 of capital financing, and a further \$2,000,000 for betterments has since been authorized. Although the City's bonds have been hypothecated, there is little likelihood of the Corporation ever having to pay more than possible operating deficits.

In 1916 an agreement was entered into with the Hydro-Electric Power Commission of Ontario, whereby a high-speed radial line was to be constructed west of the City. Under this agreement the City in 1920 deposited with the Commission \$1,240,196 of fifty year, 6% bonds, which were to be held as security for a like issue of bonds by the Commission. Since this arrangement was made, the enabling legislation has been repealed and the City's bonds will in due course be returned.

In 1911 a body known as the "Toronto Harbour Commissioners" was appointed to take charge of the development and improvement of the City's waterfront. The City deeded to the Commission all the waterfront property at that time municipally owned, and further by agreement undertook to guarantee bonds of the Commission to the extent of \$25,000,000. The Commission undertook to give a first mortgage on all their property as security. The necessary legislation was obtained, and to date \$23,000,000 of Harbour bonds, guaranteed by the City, have been marketed.

Toronto is situated on one of the largest fresh-water lakes in the world and has a natural harbour, completely landlocked. In order to provide the requisite depth for large lake vessels and smaller sea-going ships, it was necessary to undertake extensive dredging operations. Under ordinary conditions, such operations would involve loading the sand and gravel on scows and dumping it, some distance away, in the deep waters of the lake. The Toronto Harbour Commissioners not only saved this expense, but for less money were able, through the use of powerful hydraulic dredges, with long pipe lines to the shore, to pump the sand and gravel in behind retaining walls, which now serve as docks. In this way, 1,300 acres of valuable waterfront land have been reclaimed for industrial purposes and a further 900 acres for parks. The industrial sites are especially valuable, in that they are in the heart of the city and exceptionally well served by rail and water transportation.

In 1913 the Board of Railway Commissioners ordered the construction of a viaduct along the City's waterfront. The failure of the railways to undertake this work, and thus provide grade separation, has operated to the disadvantage of the Harbour project. While endless negotiations have postponed the commencement of the work, it would appear that operations will be started in 1925 and the whole work completed in the course of three years.

With the Harbour lands made readily accessible through grade separation, all the property available for lease or sale will be disposed of at very favorable prices. Some large industries are already established on these lands.

The Harbour Commissioners' plans also include a boulevard highway along the waterfront, 86 feet wide and approximately 10 miles in length, which will provide a direct outlet east and west from the heart of the industrial and commercial section of the City.

As a result of legislation passed in 1913, municipalities were empowered to guarantee bonds of companies formed to provide housing accommodation.

Toronto Housing Company, Limited The limit of the guarantee was fixed at 85% of the value of land and buildings held by such companies. The Toronto Housing Company, Limited, was incorporated and, in accordance with the statute, the City guaranteed bonds of the Company to the extent of \$850,000. Some \$730,000 of bonds have been issued so far. The trust deed provided for a sinking fund to retire the bonds at maturity.

NOTE.—The Toronto Housing Company, Limited, should not be confused with The Toronto Housing Commission.

The Industrial Schools Association is a philanthropic organization which administers two homes for delinquent children, the Victoria School for Boys at Mimico and the Alexandra School for Girls at East Toronto. By Act of the Legislature the City is authorized to guarantee the bonds of this organization up to two-thirds of the value of the property owned. To date, \$72,000 of bonds have been guaranteed and \$57,000 issued. The City is protected by a mortgage on the assets of the Association, which are valued at more than double the bonds outstanding.

Sinking Fund The financial operations of the sinking fund during the year are set forth in the accompanying statement, while its present condition is shown in the balance sheet which follows :

STATEMENT OF OPERATIONS FOR THE YEAR ENDED 31st DECEMBER, 1924

SECTION I—SHOWING REVENUE AND EXPENDITURE

REVENUE :

Levies for the year 1924.....	\$ 2,017,203 93
Net earnings from investments.....	1,658,613 77
	<u>\$ 3,675,817 70</u>

EXPENDITURE :

Amount transferred to Actuarial Reserve for future Debenture Redemption, in accordance with the terms of the City By-laws..	\$ 2,949,258 90
Surplus carried forward to Section II, being excess of earnings over actuarial requirements.....	726,558 80
	<u>\$ 3,675,817 70</u>

SECTION II—SHOWING THE CHANGE IN THE RESERVE

Balance at 31st December, 1923 :

Accumulated Sinking Fund Reserve.....	\$30,486,543 70
Excess of earnings over actuarial requirements.....	379,067 56
	<u>\$30,865,611 26</u>

Add :

Amount transferred from Section I, for future debenture redemption, in accordance with the terms of the City By-laws.....	\$ 2,949,258 90
Surplus brought forward from Section I, being excess of earnings over actuarial requirements.....	726,558 80
	<u>3,675,817 70</u>
	<u>\$34,541,428 96</u>

Deduct :

Debentures redeemed at maturity in 1924.....	\$2,651,824 60
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Balance at 31st December, 1924, being accumulated Sinking Fund Reserve and Excess Earnings, as per Balance Sheet.....	<u>\$31,889,604 36</u>
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BALANCE SHEET OF SINKING FUND AS AT 31st DECEMBER, 1924

ASSETS.		LIABILITIES.	
Municipal Debentures....	\$30,756,789 16	Accumulated Sinking Fund	
Cash in banks.....	619,890 71	Reserve,mathematically	
Accrued interest on in-		determined to redeem	
vestments and bank		at maturity the City's	
balances.....	512,924 49	entire Sinking Fund	
		Debt.....	\$30,783,978 00
		Balance : being excess	
		earnings over mathe-	
		matical requirements. .	1,105,626 36
	<u>\$31,889,604 36</u>		<u>\$31,889,604 36</u>
		GEO. H. ROSS,	
		City Treasurer.	

I have examined the Balance Sheet and the statement of Operations of the Sinking Fund of the City of Toronto, and find them to be in order.

I have examined the Securities and verified the Bank Balances representing the Investments of the Sinking Fund.

S. C. SCOTT,
City Auditor.

Department of Audit,
May 18th, 1925.

High earning power is a feature of Toronto's sinking fund. The invest-
Sinking Fund ments made consist exclusively of City of Toronto bonds, which
Operating are purchased direct from the City, the fund thus gaining the
Account and benefit of all underwriting profits and charges.
Balance Sheet

Of late years the City has been able to make very profitable investments in the sinking fund, and the average rate now earned—well over 5%—greatly exceeds the actuarial requirements of 3%.

On December 31st, 1924, against a straight term debt outstanding of \$74,928,685, it was necessary, according to mathematical requirements, to have \$30,783,978 in the sinking fund. The amount actually accumulated was \$31,889,604. In other words, the surplus over mathematical requirements amounted to \$1,105,626. Annual earnings of the fund, as shown by the operating statement, are now running more than \$700,000 in excess of the actual annual requirements. The City's settled policy is to apply these surplus earnings to the cancellation, before maturity, of debt incurred for non-revenue-producing services. Since 1919 no less than \$5,500,000 of such debt has been

thus retired, effecting an annual saving of practically \$400,000 in debt charges. This represents a reduction of half a mill on the current year's rate and, as these debts had an average of twenty years to run, the gross value of the cancellations to the taxpayer is approximately \$8,000,000.

During 1924, \$2,651,825 of straight term (sinking fund) bonds matured and were retired.

The total assets of the fund, consisting of City of Toronto bonds and cash, amounted on December 31st, 1924, to \$31,889,604. This means that, for every \$1,000 of sinking fund debt outstanding, there was \$426 in the fund. As only 39% of the debt matures before 1940, this showing is exceptionally favorable. A table of the investments and yearly maturities of the sinking fund follows :

SINKING FUND DEBT AND INVESTMENTS

Year of Maturity.	Sinking Fund Debt	Par Value of Investments held in Sinking Fund
1925	\$ 4,832,062	\$ 1,820,738
1926	4,919,820	6,821,274
1927	5,105	1,981,310
1928	836,930	1,655,307
1929	8,822,362	2,214,856
1930	86,681	1,650,221
1931	165,001	1,477,179
1932	317,021	1,026,887
1933 .....	.....	1,016,506
1934	29,167	666,995
1935	67,614	277,908
1936	1,864,760	714,627
1937	2,000	249,213
1938	5,055	209,051
1939 .....	.....	213,651
1940	6,961,000	223,673
1941 .....	.....	226,634
1942	308,500	372,139
1943	1,131,043	327,436
1944	6,278,070	1,365,010
1945	3,263,013	1,590,807
1946 .....	.....	382,511
1947 .....	.....	142,296
1948	31,325,103	4,187,266
1949	2,008,339	113,406
1950 .....	.....	83,000
1951 .....	.....	60,000
1952 .....	.....	64,000
1953	700,000	38,000
1954 .....	.....	12,000
1955	1,000,000	12,000
	\$74,928,685	\$31,201,934

The bulk of the sinking fund investments is for short terms and over \$20,000,000, or 64%, matures within 10 years. The City in recent years has adopted the policy of purchasing only short term serial bonds. The heavy annual maturities on these serial bonds, along with the interest earnings of the

fund, and the statutory levies collected in the tax rate, provide sufficient income each year to care for all maturing obligations, without putting the fund to expense or possible loss through liquidating any of its longer term investments. This is the accepted banking practice of “turn over” of funds, applied to the investments of the sinking fund.

The following table is a forecast of how the fund will progress over a period of years. Calculations are made on the basis of each year’s cash surplus being invested in short term serial bonds, while 5% has been taken as the average interest earned on both present and future investments.

SINKING FUND CASH FOR INVESTMENT

Year	Levies	Net Interest Earnings	Investments Maturing in Fund	Total Income	Bonds to be Redeemed	Net Surplus for Investment in 10 yr. Serials
1925	\$1,915,000	\$1,655,000	\$1,821,000	\$5,421,000	\$1,832,000	\$ 589,000
1926	1,601,000	1,593,000	6,870,000	10,061,000	4,920,000	5,144,000
1927	1,177,000	1,507,000	2,442,000	5,126,000	5,000	5,121,000
1928	1,177,000	1,641,000	2,543,000	5,361,000	837,000	*1,524,000
1929	1,170,000	1,680,000	†6,269,000	9,119,000	8,822,000	297,000
1930	1,022,000	1,441,000	2,779,000	5,242,000	87,000	5,155,000
1931	1,021,000	1,560,000	3,074,000	5,655,000	165,000	5,490,000
1932	1,015,000	1,681,000	3,110,000	5,836,000	317,000	5,519,000
1933	1,007,000	1,800,000	3,675,000	6,482,000	.....	6,482,000
1934	1,007,000	1,910,000	3,973,000	6,920,000	29,000	6,891,000
1935	1,005,000	2,086,000	4,297,000	7,388,000	68,000	7,320,000

* \$1,524,000 re-invested ; \$3,000,000 kept as cash in bank.

† Including \$3,000,000 cash from previous year’s surplus.

In each of the years 1925-1932 (with one exception) the sinking fund will receive more income than will be necessary to retire maturing obligations. The one exception is 1929, when nearly \$9,000,000 of straight term debt will have to be redeemed. To take care of this unusually large outgo, it will only be necessary to keep liquid a matter of approximately \$3,000,000 from the preceding year.

The turnover of the fund is now so great that, far from being embarrassed from time to time by heavy demands upon it to retire City obligations, there will be a very considerable sum available each year for reinvestment.

Toronto has an ideal situation. It is the gateway to the North country, where some of the largest gold, silver and nickel mines in the world are to be found. It is in the centre of population of the Province of Ontario
Conclusion —the leading industrial Province of the Dominion. Admirably served by railroad and steamship facilities, and with unlimited electrical power at low rates, the City offers many attractions to industries.

As a distributing point it is unexcelled, being from a few hours' to a night's ride from such large centres of population as New York, Chicago, Philadelphia, Detroit, Boston, Cleveland and Montreal.

During 1924 the capital financing was considerably below that of the three preceding years. It is anticipated that the bonds to be floated in 1925 will not only represent the smallest total in some years, but the aggregate amount of such issues will be some millions of dollars less than the bonds that will mature and be redeemed in the same period.

The fact that the City of Toronto never refunds any debt, but pays all as it matures, and in addition has been able to retire considerable debt before maturity, should inspire investors with confidence in the City's obligations.

Undertakings requiring capital financing during the next three or four, or possibly five years, will be the duplicate waterworks system, estimated to cost in the neighborhood of \$15,000,000 ; the new drainage system for the northern part of the City, to cost between \$10,000,000 and \$11,000,000 ; and the railway viaduct across the waterfront, also running into millions of dollars. There is no reason to anticipate that the City's ordinary requirements on capital account will in the future be out of line with the normal growth of the City.

The management of each large service or utility is controlled by a separate department or commission and there is no overlapping of functions. Privileges such as free transportation, free water, light or power services, are unknown, and each service is charged with its proper costs. Up-to-date methods of accounting disclose at all times the exact financial position of the City, and annual statements set out the result of the operation of each department or commission. A clear record of capital expenditures and the assets thereby created is always available. Annual charges on account of sinking fund and serial debt are regularly levied and adequately provide for the redemption at maturity of the entire outstanding debt. The actuarial sufficiency of these levies is tested periodically by the City Auditor.

The City is a huge business organization, run on strictly business lines, which with its autonomous boards and commissions handles in the neighborhood of \$100,000,000 per annum.

Respectfully submitted,

GEO. H. ROSS,

Commissioner of Finance.

STATEMENT
OF
DEBENTURE DEBT
AND
ACCUMULATED SINKING FUND

STATEMENT OF FUNDED DEBT

31st DECEMBER, 1924

Part of the funded debt of the City is repayable in annual instalments, and part by the accumulation of a sinking fund. The following table, left hand section, sets forth the original amount of the debt repayable by the former method; that portion that has already been retired; and the balance yet to be paid. The right hand section sets forth the debt repayable by the latter method; the sinking fund, which has already been accumulated towards its repayment; and the net debt.

Repayable by Instalments			DEBT CLASSIFICATION	Repayable by Sinking Fund		
Original Debt	Amount Retired	Net or Reduced Debt		Amount of Debt	Accumulated Sinking Fund	Net Debt
.....	.....	.....	Abattoir.....	\$ 415,608	\$ 88,703	\$ 326,905
.....	.....	.....	City and County Buildings.....	2,266,699	1,863,456	403,243
\$1,625,000	\$ 68,000	\$ 1,557,000	Exhibition Buildings.....	987,647	313,076	674,571
169,000	15,000	154,000	Fire Halls.....	857,303	310,479	546,824
126,000	17,000	109,000	Garbage Disposal.....	110,500	59,369	51,131
6,036,000	622,124	5,413,876	Highways.....	4,142,154	1,128,249	3,013,905
156,297	33,297	113,000	Hospital and Charitable Grants.....	1,247,409	334,995	912,414
864,000	103,000	761,000	Housing.....	.....	.....	.....
85,000	64,532	20,468	Industrial Farms.....	425,076	88,057	337,019
8,115,167	2,028,626	6,086,541	Local Improvements—City's share.....	4,508,516	3,733,626	774,890
12,372,098	2,467,680	9,904,418	Local Improvements—Ratepayers' share.....	5,096,746	4,646,130	450,616
2,959,501	246,647	2,712,854	Main Sewers.....	5,094,326	1,470,639	3,623,687
.....	.....	.....	Markets.....	472,647	289,172	183,475
509,762	89,434	420,268	Miscellaneous.....	2,053,486	1,463,791	589,695
572,000	24,000	548,000	Municipal Hospitals.....	88,680	80,938	7,742
3,579,930	579,982	2,999,948	Parks and Playgrounds.....	2,334,291	743,174	1,591,117

.....	.....	.....	Police Stations.....	296,978	120,210	176,768
341,000	69,000	272,000	Properties—Miscellaneous.....	385,496	223,598	161,598
229,000	22,000	207,000	Public Libraries.....	81,423	46,837	31,586
124,000	36,782	87,218	Registry Office.....	433,000	78,477	351,523
2,430,244	74,591	2,355,653	Schools—High.....	1,312,819	386,575	926,244
653,366	17,658	635,708	“ —High, of Commerce.....	375,249	82,120	293,129
.....	.....	.....	“ —Industrial.....	46,207	36,359	9,848
8,192,886	535,656	7,657,230	“ —Public.....	8,433,275	2,675,149	5,758,126
.....	.....	.....	“ —Separate.....	32,299	31,356	943
692,000	242,927	449,073	“ —Technical.....	2,082,681	474,068	1,608,613
10,087,000	862,054	9,224,946	Hydro-Electric.....	13,026,000	2,716,770	10,309,230
40,498,000	605,000	39,893,000	Transportation System.....	2,522,055	892,987	1,629,068
4,000,000	3,490,000	510,000	War Purposes.....	.....	.....	.....
.....	.....	.....	Waterfront Improvements.....	2,328,126	1,651,314	676,812
6,769,785	421,451	6,348,334	Waterworks.....	13,471,989	4,754,304	8,717,685
\$111,186,976	\$12,741,441	\$98,445,535		\$74,928,685	\$30,783,978	\$44,144,707

RECAPITULATION

Method of Payment	Original Gross Debt	Amount Retired or Provided for by Sinking Fund	Net Debt
Repayable by Instalments.....	\$111,186,976	\$12,741,441	\$98,445,535
“ Sinking Fund.....	74,928,685	30,783,978	44,144,707
Total.....	\$186,115,661	\$43,525,419	\$142,590,242

STATEMENT
OF
DEBENTURES PAYABLE IN 1925

**MATURED DEBENTURES OUTSTANDING AT 31st DECEMBER, 1924, NOT
PRESENTED FOR PAYMENT**

Debt Classification	By-law Number	Debenture Number	Date of Maturity	Amount
Highways.....	7823	S. 10248	1st June, 1923	\$ 1,000 00
Schools—Public.....	2060Y	Twp. of York	21st Jan., 1924	845 32
“ “.....	2071Y	“	1st April, 1924	663 00
“ “.....	1963Y	“	2nd May, 1924	901 89
“ “.....	1969Y	“	4th July, 1924	662 11
“ “.....	1694Y	“	2nd Aug., 1924	297 87
“ “.....	2137Y	“	5th Aug., 1924	938 73
“ “.....	2086Y	“	6th Aug., 1924	328 56
“ “.....	2005Y	“	7th Aug., 1924	739 18
“ “.....	2046Y	“	3rd Dec., 1924	588 90
Local Improvements : R.S. } C.S. }	8457	S. 20197	1st July, 1924	1,000 00
Schools—Public.....	8537	S. 21818	1st Nov., 1924	1,000 00
“ “.....	“	S. 21819	“	1,000 00
“ “.....	“	S. 21820	“	1,000 00
“ “.....	“	S. 21821	“	1,000 00
“ “.....	“	S. 21822	“	1,000 00
“ Separate.....	1384	13350	20th Nov., 1924	4,866 66
				<hr/> \$17,832 22

STATEMENT OF DEBENTURES PAYABLE IN 1925

Service	Amount	Total
Revenue-Producing Services :		
Local Improvements—Ratepayers' share.....	\$3,168,475 08	
Transportation System.....	767,000 00	
Toronto Hydro-Electric System.....	394,571 62	
Waterworks.....	279,822 68	
Exhibition Buildings.....	30,000 00	
Housing.....	30,000 00	
		\$1,669,869 38
Non-Revenue-Producing Services :		
Local Improvements—City's share.....	2,457,290 72	
War.....	326,000 00	
Highways.....	318,887 34	
Schools—Public.....	\$184,813 12	
“ —Technical.....	45,182 16	
“ —High.....	39,383 84	
“ —Separate.....	32,298 85	
“ —High, of Commerce.....	8,875 41	
	310,553 38	
City and County Buildings.....	300,000 00	
Miscellaneous.....	211,914 04	
Parks and Playgrounds.....	183,138 03	
Main Sewers.....	161,183 52	
Municipal Hospitals.....	99,680 00	
Properties—Miscellaneous.....	20,000 00	
Hospitals and Charitable Grants.....	14,000 00	
Industrial Farms.....	9,984 48	
Fire Halls and Equipment.....	9,000 00	
Garbage Disposal.....	8,000 00	
Public Libraries.....	8,000 00	
Registry Office.....	5,834 24	
		4,476,465 75
		\$9,146,335 13
Note.—No loans are refunded—all of the City's debenture debt being paid in full at maturity.		

DEBENTURE DEBT EXTINGUISHED, 1925

When debentures of a sinking fund issue mature and are retired, all debt charges in connection with that particular issue are wiped out. Of the \$9,146,335 debt maturing in 1925, \$1,832,062 are Sinking Fund debentures carrying with them annual debt charges totalling \$558,122. The balance, \$4,314,273, are serial debentures. On a serial debenture issue debentures mature each year until the expiry of the loan, and not till then are the current debt charges extinguished. Only \$2,728 of the \$4,314,273 serial debt maturing in 1925 represents the final extinguishment of debt, the remainder being instalments of principal on loans still current. This \$2,728 is the final instalment of an original issue of \$14,679, on which the annual debt charges amount to \$2,871. The total annual debt charges to be finally extinguished in 1925 will thus amount to \$561,293. The details by service are as follows :

Service	Original Debt Extinguished	Annual Debt Charges
Revenue-Producing Services :		
Local Improvements—		
Ratepayers' share.	\$2,095,773 83	\$272,887 87
Waterworks.	160,510 00	7,614 48
	<u>\$2,256,283 83</u>	<u>\$280,532 35</u>
Non-Revenue Producing Services :		
City and County Buildings . . .	300,000 00	14,250 00
Local Improvements—		
City's share.	1,791,906 36	234,787 31
Main Sewers.	99,998 82	4,719 92
Miscellaneous.	229,706 67	10,911 07
Municipal Hospitals.	88,680 00	11,726 20
Schools—Public.	47,866 65	2,802 16
“ —Separate.	32,298 85	1,534 20
	<u>\$2,590,457 35</u>	<u>\$280,760 86</u>
Total	\$4,846,741 18	\$561,293 21

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~~9017~~ Report upon the funded debt
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